

## Message Text

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73

ORIGIN ARA-10

INFO OCT-01 ISO-00 IO-10 OIC-02 FEA-01 AGR-10 CEA-01

CIAE-00 COME-00 DODE-00 EB-07 FRB-01 H-02 INR-07

INT-05 L-02 LAB-04 NSAE-00 NSC-05 PA-02 RSC-01 AID-05

CIEP-02 SS-15 STR-04 TAR-01 TRSE-00 USIA-15 PRS-01

SP-02 OMB-01 SWF-01 /118 R

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APPROVED BY ARA/ECP:GROLSSEN

EB/ORF/FFP:RSIMPSON

ARA/USOAS:ANOONAN

ARA/CEN:PWACKERBARTH (INFO)

FAS/USDA: SEARLY

STR:SLANDE (SUBS)

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P 232250Z DEC 74

FM SECSTATE WASHDC

TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS PRIORITY

USCINCSO QUARRY HEIGHTS CZ

UNCLAS STATE 280524

E.O. 11652: N/A

TAGS: ETRD, EAGR, OAS

SUBJECT: MEAT: OAS CONSULTATIONS OF THE SPECIAL COMMITTEE  
FOR CONSULTATION AND NEGOTIATION

REF: STATE 275226 ..

1. THE CONSULTATIONS IN THE SPECIAL COMMITTEE FOR CON-  
SULTATION AND NEGOTIATION (SCCN) WHICH THE US HAD OFFERED  
EARLIER THIS MONTH WERE HELD IN WASHINGTON DEC. 19. THE  
SUBJECT WAS THE US DOMESTIC AND INTERNATIONAL TRADE SITU-  
ATION FOR FRESH BEEF AND POSSIBLE RESTRICTIONS ON MEAT  
IMPORTS IN 1975. VIEWS REGISTERED IN THAT MEETING WILL BE  
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FACTORED INTO THE PRESIDENT'S DECISION ON OPTIONS UNDER THE

MEAT IMPORT ACT OF 1964 WHICH MUST BE TAKEN BEFORE JAN. 1, 1975.

2. RICHARD GOODMAN OF THE FAS AND GEORGE HOFFMAN OF THE ECONOMIC RESEARCH SERVICE (BOTH USDA) PROVIDED THE BRIEFING FROM THE US VIEWPOINT. DEPUTY ASSISTANT SECRETARY JULES KATZ (EB) WAS SCHEDULED TO LEAD THE US DELEGATION BUT WAS PREVENTED FROM DOING SO AT THE LAST MOMENT BY URGENT CONGRESSIONAL BUSINESS. THE OAS REPORT OF THE MEETING WILL BE POUCHED SHORTLY TO PROVIDE POSTS WITH BOTH THE BACKGROUND DATA ON THE US SITUATION ATTACHED THERETO AND THE VIEWS OF ATTENDING DELEGATIONS.

3. IN BRIEF, THE US INFORMED THE SCCN THAT USDA'S

ESTIMATE OF 1975 FRESH BEEF IMPORTS WAS LIKELY TO EXCEED THE ADJUSTED TRIGGER LEVEL OF THE ACT AND THEREFORE CALLS FOR PRESIDENTIAL ACTION. FYI: OPTIONS PROVIDED FOR UNDER THE LAW INCLUDE: (1) ANNOUNCING AND THEN SUSPENDING THE ACT'S GLOBAL QUOTA AND THEN NEGOTIATING VOLUNTARY AGREEMENTS WITH EACH SUPPLIER, (2) PROCLAIMING A GLOBAL QUOTA AT THE LEVEL SPECIFIED UNDER THE ACT AND (3) PROCLAIMING A QUOTA, BUT AT SOME LEVEL ABOVE THAT CALLED FOR UNDER THE ACT. END FYI. THE USDA DELEGATES GAVE A DESCRIPTION OF U.S. LIVESTOCK PROSPECTS FOR 1975 WHICH POINT TO A LARGER COMPONENT OF U.S. BEEF REACHING THE MARKET AFTER LITTLE OR NO GRAIN FEEDING. IN THIS SITUATION IMPORTED BEEF BECOMES LESS COMPLEMENTARY TO U.S. PRODUCTION AND MORE DIRECTLY COMPETITIVE WITH IT.

4. THE DELEGATES' STATEMENTS INDICATED LITTLE HEAT BEHIND THE ISSUE. THE U.S. DOMESTIC INDUSTRY'S WOES APPEARED TO BE UNDERSTOOD AND SOME INFORMAL COMMENT EVEN "WELCOMED" THE QUOTAS BECAUSE CENTRAL AMERICA HAD MODERATE EXPORT POSSIBILITIES THIS YEAR WHILE AUSTRALIA HAD A "MOUNTAIN" OF BEEF WHICH COULD ERODE THE LATIN MARKET POSITION IN THE COMING YEAR. COMMENTS IN SESSION FROM THE CARIBBEAN AND CENTRAL AMERICAN DELEGATIONS EMPHASIZED (1) APPRECIATION FOR THE CONSULTATION, (2) CONCERN THAT QUOTA LEVELS (IF ADOPTED) RESTRICT INCREASES

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IN IMPORTS BUT NOT CUT BACK FROM (UNDEFINED) CURRENT LEVELS, (3) CURRENT BALANCE OF PAYMENTS PROBLEMS PERVADE THE SUPPLYING AREA AND (4) U.S. COMMITMENTS TO PROVIDE FAVORABLE TREATMENT TO LATIN AMERICAN SUPPLIERS WHERE POSSIBLE. CENTRAL AMERICAN PRODUCERS GENERALLY INDICATED THAT LITTLE OVERALL GROWTH IN THEIR EXPORTS OF BEEF WAS IN PROSPECT. ARGENTINA AND URUGUAY, ALTHOUGH NOT SUPPLIERS OF FRESH BEEF TO THE U.S., COMMENTED THAT

RESTRICTING THE U.S. MARKET INCREASES PRESSURES ON THE FEW REMAINING MARKETS. THE U.S. ASSURED THE DELEGATES THAT AN INTER-AGENCY SUBGROUP ON LATIN AMERICAN TRADE HAD BEEN FORMED SPECIFICALLY TO FACTOR THE INTERESTS OF THE HEMISPHERE INTO OUR TRADE DECISIONS, AND THAT THEY WOULD BE HEARD. THE U.S. DELEGATION ALSO ASSURED THE MEETING THAT WHEN THE PRESIDENT HAD ANNOUNCED HIS DECISION WE WOULD CONVEY THAT INFORMATION AND THE CONSULTATIONS WERE ACCORDINGLY LEFT OPEN.

(INSERT IN PARA 3 FYI ABOVE: THE PRESIDENT MAY ALSO ANNOUNCE AND SUSPEND THE QUOTA WITHOUT TAKING RESTRICTIVE ACTION, AS AT PRESENT.) . KISSINGER

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**To:** ALL POSTS USCINCSO  
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